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TAGS: [PGOV](#) [PREL](#) [PINR](#) [NU](#)
SUBJECT: FSLN CAUCUS CHIEF DEFENSIVE ON SENSITIVE ISSUES

Classified By: Ambassador Paul Trivelli for reasons 1.4 (b and d)

¶1. (C) Summary and Comment: Embassy officials and INR analysts met with Edwin Castro, head of the FSLN Congressional caucus on 21 March. Castro was defensive, almost to the point of being hostile, and dodged a number of questions on FSLN policy issues regarding constitutional reforms and trade, although he has spoken with authority in the past on such matters. His demeanor could be the result of agitation over the recent criticism in the press for GON policies, or may have been because he is uninformed or potentially sidelined in the decision-making process. End Summary and Comment.

Vague on Constitutional Reforms
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¶2. (C) FSLN members recently met with constitutional analysts from Colombia and Mexico to discuss possible reforms. Castro declined to answer a question on why the FSLN has not issued a formal proposal as the other parties had, but commented that the goal is to encourage "participatory democracy," and everything else is "secondary."

¶3. (C) Regarding the FSLN's position on presidential re-election, Castro would not give a straight answer, but implied that he would support unlimited re-election. He responded, "I am a professor of constitutional law. In a democracy, the people must decide who leads them."

¶4. (C) Castro became agitated when asked about the role of the "citizens' councils" established by the Ortega administration. He said that the press and opposition have "demonized" the councils, even though past governments have made similar efforts to incorporate civil society into the policy process. According to Castro, the councils will incorporate existing NGOs, guilds, associations, etc., and will not exclude anyone who wishes to participate. The councils will have no budget and will be run on a voluntary basis by the citizens. Local organizations will work with local governments and national organizations will work with the ministries. In all cases, the elected officials will be in charge of implementing policy. Castro could not conceive of a situation in which the councils and the elected officials would disagree on policy, stating, "If the citizens do not approve of the actions of the officials, they will vote them out."

¶5. (C) Castro claimed that the FSLN had an "excellent" meeting with the bishops regarding the citizens' councils and agreed to "open lines of communication" with the Episcopal Conference. They "worked out the details" of the Cardinal's participation in the Peace and Reconciliation Council. The

Cardinal was present, he noted.

Pro-ALBA, Anti-CAFTA

16. (C) Castro commented that Nicaragua is a poor country that will benefit from ALBA, an agreement that is about "brotherly cooperation," not just trade. He predicted CAFTA will fail because it does not address the free movement of labor. Castro stated the U.S. should follow the EU model that brought Spain and Portugal out of poverty to help Latin America. At the very least, Castro believed the U.S. should "indemnify" small producers negatively affected by CAFTA to address the "asymmetries" in our economies. Castro claimed that the Finance Ministry (under the Bolanos administration) released a report in 2005 indicating that CAFTA will generate more poverty in Nicaragua. (Note: The study actually reports that CAFTA will not decrease poverty in rural areas and uses projections that do not incorporate all relevant data. End Note.)

Defensive on Murillo, Aleman

17. (C) When asked if Ortega spouse Rosario Murillo was active in government, Castro stated that she is a strong first lady "along the lines of Hillary Clinton" and has not done anything inappropriate. He offered no comment on convicted ex-President Arnoldo Aleman's new-found freedom, granted by a Sandinista official, to move about the country at will. Castro replied, "What has that to do with me? He's not our problem."

Upcoming Visit and Ties to the U.S.

18. (U) Castro stated he would soon travel to Alaska for a whaling conference, as an NGO rep, not a GON official. He mentioned that he frequently travels to the U.S. and has a brother that has lived in Orlando for 40 years and currently works as a senior executive for Oracle.
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